

**SUMMARY:
 FY 2005-06 & FY 2006-07 SUPPLEMENTAL APPROPRIATIONS
 Senate Bill 166 (H-4) Floor Substitute**

FY 2005-06 Summary	Executive (Letters of 8/17/06, 10/10/06, 11/27/06, 12/7/06, & 1/29/07)		Senate		House Substitute	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Corrections	\$13,714,200	\$13,714,200	\$15,447,800	\$15,447,800	\$15,447,800	\$15,447,800
Environmental Quality	0	0	0	0	0	0
Human Services	30,705,500	30,705,500	30,705,500	30,705,500	30,705,500	30,705,500
Michigan Strategic Fund	8,000,000	0	8,000,000	0	8,000,000	0
Military and Veterans Affairs	700,000	0	700,000	0	700,000	0
State Police	3,321,500	3,321,500	3,585,300	3,585,300	3,585,300	3,585,300
TOTAL	\$56,441,200	\$47,741,200	\$58,438,600	\$49,738,600	\$58,438,600	\$49,738,600

Note: Human Services amounts under Executive column reflect increase of \$962,900 GF/GP from amounts contained in specified letters; this amount was subsequently requested by DMB.

FY 2006-07 Summary	Executive (Original Capital Outlay Rec. & 2/8/07 Letter)		Senate		House Substitute	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Capital Outlay	\$162,902,600	\$0	\$0	\$0	\$167,902,600	\$5,000,000
Corrections	12,600,000	12,600,000	0	0	12,600,000	12,600,000
TOTAL	\$175,502,600	\$12,600,000	\$0	\$0	\$180,502,600	\$17,600,000

Note: Executive column reflects only recommended supplemental items included in House Substitute.

FY 2005-06 Budgetary Issues:

DEPARTMENT OF CORRECTIONS

1. Appropriates additional \$15.4 million GF/GP revenue and utilizes \$4.3 million in unexpended appropriations to provide funding for \$19.7 million in outstanding liabilities for FY 2005-06. Additional funding would be provided as follows: \$11,712,400 for hospital and specialty care services, \$5,647,100 for prison clinics, \$182,200 for prisoner reintegration programs, and \$2,195,800 for information technology services and projects. Executive proposes to fund \$1,733,600 of information technology costs through utilizing capital outlay bonding authority. Senate and House fund all information technology costs with GF/GP revenue.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$18,003,900	\$19,737,500	\$19,737,500
GF/GP	\$18,003,900	\$19,737,500	\$19,737,500

FY 2005-06 Budgetary Issues:

2. Reduces appropriations in 18 different line items to help support \$18.0 million increase in Gross appropriations to fund FY 2006-07 shortfalls. Of the \$4.3 million in unexpended current-year appropriations, \$4.0 million is funding formerly held for a Michigan Prisoner Re-Entry Initiative (MPRI) work project.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	(\$4,289,700)	(\$4,289,700)	(\$4,289,700)
GF/GP	(\$4,289,700)	(\$4,289,700)	(\$4,289,700)

DEPARTMENT OF ENVIRONMENTAL QUALITY

3. Funding source shift, \$300,000 from Land and Water Permit Fees to Environmental Protection Fund.

Gross	\$0	\$0	\$0
GF/GP	\$0	\$0	\$0

DEPARTMENT OF HUMAN SERVICES

4. Increases GF/GP authorization by \$42.1 million to correct for a current GF/GP over-expenditure in the FIP line item. The over-expenditure resulted from a shortfall in federal revenue, particularly the Temporary Assistance for Needy Families (TANF) block grant, available to finance DHS expenditures across the department. An unexpected increase in the FIP caseload late in the year increased FIP costs further and expanded the overall shortfall. The figure reflects a correction requested by the State Budget Office from the amount listed in the original request.

Gross	\$42,906,400	\$42,906,400	\$42,906,400
GF/GP	\$42,906,400	\$42,906,400	\$42,906,400

5. Reduces GF/GP authorization in 53 other DHS line items to partially offset the additional GF/GP included in FIP line item above. Reductions represent unutilized GF/GP appropriations across the Department. These appropriations would otherwise lapse to the general fund. The figure reflects a correction requested by the State Budget Office from the amounts listed in the original request.

Gross	(\$12,200,900)	(\$12,200,900)	(\$12,200,900)
GF/GP	(\$12,200,900)	(\$12,200,900)	(\$12,200,900)

6. Shifts funding of foster care payments from federal sources to local sources by \$3.0 million. The action reflects a decrease in federal Title IV-E eligibility for foster care cases. Cases not eligible for Title IV-E funding (56% federal, 44% state match) become State Ward Board and Care cases. These cases are funded using 50% state and 50% county funds. Thus, the shift in caseload has led to fewer federal funds being utilized, with these costs passed on to local counties. State Ward Board and Care caseload has increased from 42% of statewide cases in FY 2005 to 50% in FY 2006.

Gross	\$0	\$0	\$0
Federal	(3,000,000)	(3,000,000)	(3,000,000)
Local	3,000,000	3,000,000	3,000,000
GF/GP	\$0	\$0	\$0

MICHIGAN STRATEGIC FUND

7. Increased Federal funds for the Community Development Block Grant Program.

Gross	\$8,000,000	\$8,000,000	\$8,000,000
Federal	8,000,000	8,000,000	8,000,000
GF/GP	\$0	\$0	\$0

DEPARTMENT OF MILITARY & VETERANS AFFAIRS

8. Increases Medicare authorization for the Grand Rapids Veterans Home.

Gross	\$700,000	\$700,000	\$700,000
Federal	700,000	700,000	700,000
GF/GP	\$0	\$0	\$0

DEPARTMENT OF STATE POLICE

9. Increases general fund support for Worker's Compensation, Fleet Leasing, Training Administration, Laboratory Operations, Emergency Management Planning and Administration, Uniform Services, and Information Technology to pay outstanding bills from FY 2005-06. Executive proposes to fund additional \$263,800 in information technology costs through utilizing capital outlay bonding authority. Senate and House fund additional information technology costs with GF/GP revenue.

Gross	\$3,321,500	\$3,585,300	\$3,585,300
GF/GP	\$3,321,500	\$3,585,300	\$3,585,300

FY 2006-07 Budgetary Issues:

CAPITAL OUTLAY

1. Airport Safety, Protection and Improvement Program
These funds will be used to support security/general improvement projects at more than 100 local and state airports.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$162,902,600	\$0	\$162,902,600
Federal	137,254,300	0	137,254,300
Local	12,648,300	0	12,648,300
Restricted	13,000,000	0	13,000,000

2. Oscoda – Wurtsmith Airport
Provides funding for construction of an airport hangar.

Gross	\$0	\$0	\$5,000,000
GF/GP	\$0	\$0	\$5,000,000

FY 2006-07 Budgetary Issues:

DEPARTMENT OF CORRECTIONS

3. Prisoner Health Care

Increases appropriation for hospital and specialty care, which is provided through a contract with Correctional Medical Services, Inc.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$12,600,000	\$0	\$12,600,000
GF/GP	\$12,600,000	\$0	\$12,600,000

FY 2005-06 Boilerplate Issues:

CAPITAL OUTLAY

1. Section xxx. Authorizes up to \$2.3 million in information technology expenditures for Departments of Corrections and State Police financed through State Building Authority.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
1. Section xxx. Authorizes up to \$2.3 million in information technology expenditures for Departments of Corrections and State Police financed through State Building Authority.	Included	Not Included	Not Included

2. Section 301. Re-appropriates any remaining FY 2001-02 GF/GP appropriations of \$1,288,300 for Major Special Maintenance from the departments of Community Health, Human Services, Management and Budget, Military and Veterans Affairs, and State Police to the Department of Corrections.

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REPEALERS

3. Section 501 of PA 158 of 2005 (Transportation). Repeals Section 501 of the FY 2005-06 state transportation budget act, which appropriates certain Motor Carrier fees, not used in the Department of Labor and Economic Growth (DLEG) or Department of State Police budgets, to the Michigan Transportation Fund (MTF). Revenue from the Motor Carrier Act totals approximately \$8 million. Historically, this revenue has been appropriated for DLEG or State Police for motor carrier regulatory and safety activities, with the excess appropriated in boilerplate for the MTF. The State Budget Office indicates that federal law has pre-empted "single state registration fees" such as those established under the Motor Carrier Act resulting in a \$7.1 million revenue shortfall in the FY 2006-07 budget. Repealing Section 501 would allow approximately \$1.5 million in excess FY 2005-06 revenue to carry forward for use in the FY 2006-07 State Police or DLEG budgets, rather than having these funds lapse to the MTF. The State Budget Office revenue estimates appear to be reasonable in relation to prior years' revenue history.

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4. Section 502 of PA 341 of 2006 (Community Colleges). Repeals Section 502 of the FY 2006-07 Community Colleges budget act, which requires the annual audit of the Activities Classification Structure data submitted by seven randomly-selected community colleges.

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5. Enacting Section 1. Tie bars bill to Senate Bill 184, which would amend the Management and Budget Act to (1) require a report by June 1 each year providing estimates regarding line item overexpenditures and (2) specify that federal and restricted appropriations can only be expended up to the amount of funds actually received.

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FY 2006-07 Boilerplate Issues:

CAPITAL OUTLAY

Sec. 1301. Federal-State-Local Airport Projects

General purpose is to provide for the construction and improvement of publicly used airports and landing fields in the state. State money for any 1 project shall not exceed 1/3rd of the total state funds appropriated for the airport improvement program line item.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Sec. 1301. Federal-State-Local Airport Projects General purpose is to provide for the construction and improvement of publicly used airports and landing fields in the state. State money for any 1 project shall not exceed 1/3 rd of the total state funds appropriated for the airport improvement program line item.	Included	Not Included	Included

Sec. 1302. Airport Project Funds

Provides that funds appropriated for airport projects will be available for 3 fiscal years.

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Sec. 1303. Oscoda - Wurtsmith Airport Hangar Project

Provides that airport hangar project funds be proportionately reduced by any subsequent appropriations enacted into law for the same project.

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